FACILITIES SUSTAINMENT TOOL (FAST) PROGRAM REVIEW

NCMA/AIC LUNCHEON

Winfield A. Greene
FAST Program Manager
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FAST AGENDA

- WHY FAST
- WHAT IS FAST
- HOW FAST--ACQUISITION STRATEGY
- NEW SCHEDULE

WHY FAST

- Current Operations
- Program Managers' Needs
- MIPR Discussions
- Summary

WHY FAST
Current Operations

- Product Directorates (PD) develop contracts for individual Weapon System Support:
  - **Pros:**
    - PDs have vehicle specific to their needs
    - Responsive once in place
    - No fees, no pass-throughs

WHY FAST
Current Operations

- Product Directorates (PD) develop contracts for individual Weapon System Support:
  - **Cons:**
    - Redundant industry Bid and Proposal costs
    - Scope not broad enough to allow multiple PD usage; multiple PDs writing similar contracts
    - Redundant efforts for PDs & PK
    - Takes too long to get basic contract in place
    - Not meeting customers' need to obligate dollars quickly (30 days maximum)

WHY FAST
Current Operations

- Program Managers within each PD MIPR or AF 616 money & requirements to existing off-base vehicles with increasing regularity:
  - **Example:**
    - Tinker AFB MIPR activity increased from FY91 to FY98, i.e. to Army, Navy, GSA, Treasury
  - **Pros:**
    - Obligate dollars quickly: **Speed**
      - Opportunity cost is a real cost
    - PDs can get to whom they want: **Flexibility**

WHY FAST
Current Operations

- Program Managers within each PD MIPR or AF 616 money & requirements to existing off-base vehicles with increasing regularity:
  - **Cons:**
    - **Expensive**: 1% - 20% Service Fees and Pass-throughs (Average fee: 5 - 10%)
      - 23 MIPRs for $700K in fees (Tinker Audit)
    - Fewer Weapon System Support dollars go to supporting warfighter
    - Lack of visibility at the PD or CC level
    - AF Audit highlighted lack of contract administration visibility
    - Lost opportunity for acquisition strategy

WHY FAST
Program Managers' Needs

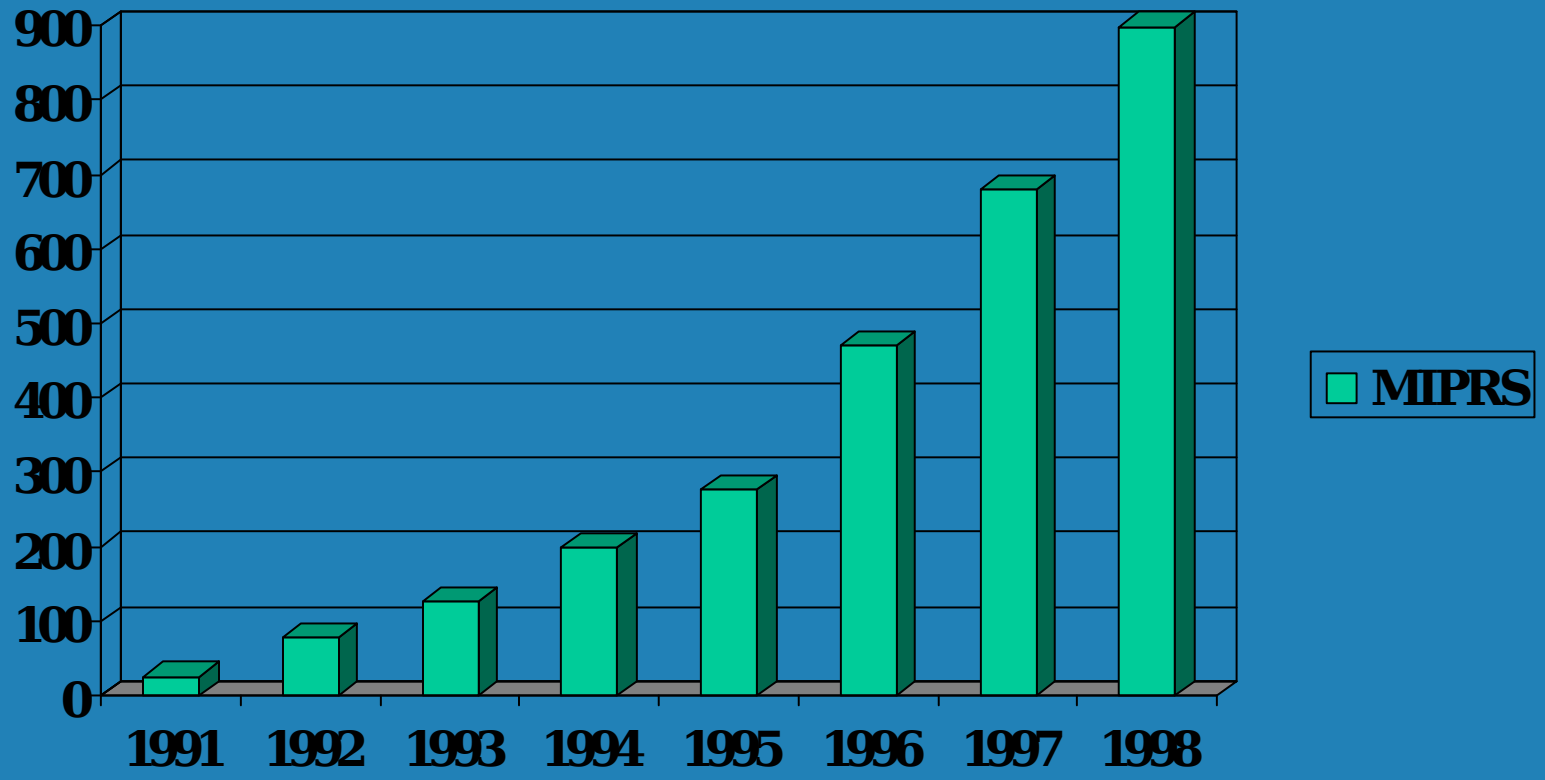
- Quick Response Capability to support:
  - Aging weapon systems
  - Critical requirements
  - New opportunities/workload transfer
- Access to multi-functional contractor team capability
- ONE STOP SHOPPING FOR MULTI-DIMENSIONAL REQUIREMENTS

WHY FAST
Reasons for MIPR Usage

- Obligate dollars quickly
  - Vehicle already in place
- Rapid response to aging aircraft sustainment issues
- Get to whom you want

WHY FAST

OC-ALC MIPR Activity



WHY FAST
Summary

- Opportunity to develop an AFMC command wide, multi-dimensional contracting vehicle of choice for PD warfighter support
- Opportunity to stem the tide of: paying too much, waiting too long, limiting our Program Managers' options

WHAT IS FAST

- Background
- Charter
- Goals
- Benchmarking R2CSR
- Scope
- Contract Summary
- Schedule

BACKGROUND

- Manpower support contract review team established by WR-ALC Space and Special Systems Management Directorate
- Evaluated services and manpower support for PDs
- Developed surveys
  - Contracting Vehicle
  - Industry
  - Product Directorate

BACKGROUND
Options Review

- Performed business analysis on possible options
  - 6 Options
  - 3 Cost models for all six options
- Used Cost Benefits Analysis to determine best course of action
  - Benefits: Rate comparison, Time to award task, Fee cost stability, Customer service, Ease of use, Management control, Get desired contractor
- Recommended future course of action based on business analysis results

BACKGROUND
Options Review

- Option #1: R2CSR
- Option #2: R2CSR + Robins
- Option #3: Robins
- Option #4: GSA + Robins
- Option #5: DESP + R2CSR + Robins(A)
- Option #6: DESP + R2CSR + Robins(B)

BACKGROUND_
Cost Benefit Analysis (CBA)

- **CBA quantified the perceived benefit of each alternative**
  - 6 alternatives and 7 benefits
    - Each benefit given a weighted benefit value (1-5)
    - Each benefit scored for each alternative (1,3,5,7,10)
  - Calculated total score for each alternative
  - Benefit percent
    - Divided alternative score by the total possible score
    - Higher percentage means more beneficial
  - Cost benefit ratio
    - Divided alternative life cycle cost by alternative score (cost/benefit)
    - Ordinarily, the alternative with the lowest ratio is the recommended alternative

BACKGROUND_

Cost Benefits Analysis Summary

Cost Avoidance Alternatives	5 Year Life Cycle Cost (Millions)	Benefit Percent	Cost Benefit Ratio
Robins	0.44	0.905	0.002
DESP+R2CSR+Robins(B)	2.2	0.718	0.014
R2CSR	2.8	0.705	0.018
DESP+R2CSR+Robins(A)	3.8	0.736	0.023
R2CSR+Robins	6	0.750	0.036
GSA+Robins	6.8	0.836	0.037

BACKGROUND_
Robins Advantage

- Benefits Leader for all 3 models
- Low cost leader (2 of 3 models)
- Intangible benefits
  - Rates comparison
  - Fee cost stability
  - Customer service
    - Based on centralized support office
  - Management control

BACKGROUND
Key Events

- WR-ALC/CC/CV/CD & PDs 18 May
  - Briefed research and recommendations
- HQ AFMC/PK Conference on 19 May
  - Briefed WR-ALC research and recommendations
  - Received general concurrence to proceed
- Briefed WR-ALC/CC/CV & PDs on 8 June
  - Received go-ahead from CC to proceed with new contract

BACKGROUND
Key Events

- ALC Round Robin, July 7-8
  - Briefed PDs at Tinker
  - Received buy-in and POC from OC-ALC/TI
  - Briefed PDs at Hill
  - Received buy-in and POC from OO-ALC/LH
- FAST Kickoff Conference, August 24-25
  - Attendees from SBA, BC, WR-ALC, OO-ALC, OC-ALC, ASC/CDS, AFMC/PKP
- HQ AFMC Heading Check, Sept 28
  - LG, DR, JA, PK, SAF/AQC, SBA, BC, ALCs

CHARTER

- Develop FAST contract for repairs, spares, modifications, acquisition, services and manpower support that is robust enough for Command-wide utilization
  - Requirements definition should be broad enough to meet all ALC PDs needs
  - Partner with other Log Centers

GOALS

- Establish new industry standard contract vehicle
- User friendly vehicle that will rapidly obligate dollars
- Flexible dynamic vehicle
- Vehicle of choice
- Optional usage
- Reduce costs to PDs (no fee)

BENCHMARKING R2CSR

- R2CSR is light years in front of everyone
- R2CSR is baseline for FAST effort
- Incorporate R2 lessons learned
- Avoid potential pitfalls

SCOPE DISCUSSION

- Requirements
- Users
- Ceiling
- FAST Program Review Summary

REQUIREMENTS SCOPE

- Whose requirements would FAST satisfy? Focused on, but not limited to:
  - WR-ALC's PDs
  - OO-ALC's PDs
  - OC-ALC's PDs

REQUIREMENTS SCOPE

- Services
- Modifications
- Repairs
- Spares
- System Acquisitions

REQUIREMENTS SCOPE

- Services:
  - Financial Management, Budgeting, Funding, Accounting
  - Engineering, Technicians, Technical Data Management
  - Computer Systems, Networking, Systems Administration
  - Quality Assurance, Inspection
  - Environmental Compliance
  - Physical Sciences
  - Industrial Operations & Facilities
  - Supply & Inventory Management
  - Transportation Operations
  - Training, Instruction, Education

REQUIREMENTS SCOPE

- Services
  - Program Office Support
  - Logistics Analysis / Provisioning
  - Computer Systems Management
  - Engineering Studies & Analysis
  - Budgeting, Economic Analysis
  - Supply and Inventory Management
  - Training and Education

SCOPE

PHASES OF MODIFICATION PROGRAMS

- Design Engineering
- Fabrication and Testing
- Technical Documentation
- Installation, Kit Proofing
- Initial Spares
- Interim Contractor Support

REQUIREMENTS SCOPE

- Repairs
  - Standard
  - Non-standard
  - Critical
  - Rare
  - Contingency

REQUIREMENTS SCOPE

- Spares
  - Initial spares for MOD support
  - Small Quantities
  - Rare
  - Minimum Essential Quantity

REQUIREMENTS SCOPE

- System Acquisitions
  - Replacement Systems
  - Mods/Upgrades to Systems
  - New Systems
    - Phase III of ACAT I & II Programs
    - Below ACAT II Programs
- Single Manager Responsibilities

REQUIREMENTS SCOPE

- Use of FAST Contract is Optional
- Contracting Officer Still Determines Best Value
  - Considers Price, Timeliness, Quality, OEM, Performance
- FAST Contract Targeted for:
  - Small Quantity Repairs/Buys
  - Task and Delivery Orders

USERS SCOPE

- AFMC customers
- AF MAJCOMs
- Non-AF users - TBD

CEILING SCOPE

- OC-ALC, OO-ALC, WR-ALC FY00 Estimates
  - $5B for7 Yrs
- Other AFMC numbers not included (ASC, ESC, etc.)

FAST PROGRAM_ REVIEW SUMMARY

- WR-ALC in partnership with OC-ALC and OO-ALC can develop industry standard contract for mods, repairs, spares, acquisition, services, and manpower support that can benefit the entire command
- ALCs have committed support to ensure success
  - WR-ALC is lead center
  - OC-ALC & OO-ALC provide support and assistance

ACQUISITION STRATEGY

- Early Industry Involvement / Market Research
- Contract Characteristics
- Source Selection Authority
- Small Business Strategy
- Fair Opportunities Clause
- Organizational Conflict of Interest

EARLY INDUSTRY INVOLVEMENT/ MARKET RESEARCH

- Accomplished:
  - Industry, Contract Vehicle, and Product Directorate Surveys
  - Briefings to Aerospace Industry Council
  - Use of PK Business Opportunities Web page

EARLY INDUSTRY INVOLVEMENT/ MARKET RESEARCH

- "Contract Award Options" Industry Feedback (Web posting dated 14 Sep 99)
- Small Business Joint Venture (JV) (Web posting dated 17 Sep 99)

EARLY INDUSTRY INVOLVEMENT / MARKET RESEARCH

- Market research continues:
  - CBD announcement(s)
  - Requests for Comment / Information on all three ALC business opportunity web pages
  - Electronic Posting System (EPS)
- Industry involvement continues:
  - Industry Day/Risk Assessment Workshop
    - To allow our customers and prospective contractors the opportunity to discuss acquisition strategy
  - Draft RFP

RECOMMENDED CONTRACT CHARACTERISTICS

- Type: Indefinite Delivery / Indefinite Quantity
- Awards: Multiple awards (but not many)
- Pricing: Multiple pricing arrangements (i.e., Fixed Price, Cost, Labor Hour, T&M, Incentives)
- CLINs: "Menu" of CLINs for various services/supplies to be procured
- Length: 7 years
- Set-Aside: Award reserved for small business
- FAR Part 12 (Commercial Acquisition) will be incorporated

SOURCE SELECTION AUTHORITY

- In accordance with AFFARS 5315.30 Source Selection Authority shall be PDASAF (A&M)
- Delegation is allowed no lower than the Contracting Officer
- Recommendation
  - No Delegation Request

SMALL BUSINESS STRATEGY

- Will have at least one Small Business awar
- Will meet Small Business goals
  - Percentage of awards
  - Large Business subcontracting goals for small business
- Opening new avenue, precedent setting, best opportunity for SB, stems the tide of deteriorating SB awards

FAIR OPPORTUNITIES CLAUSE

- AFFARS 5352.216-9001 - Awarding Orders Under Multiple Award Contracts
- Orders will be competed as necessary to comply with regulations and laws

FAST OCI STRATEGY

- Why is industry concerned?
  - Will the performance of one division of a company preclude performance by another division on a follow-on task or an additional task?
    - Industry has advised that they have established “firewalls” to mitigate OCI risks

FAST OCI STRATEGY

- AFMC OCI Clauses will be incorporated into the solicitation/contract
- OCI shall be considered at the task order level when requirements are identified
- Multiple awards will allow contractors to decline a task if an OCI is identified
- Actual OCIs may require mitigation plans when in the best interests of the government

NEW SCHEDULE

- DRAFT SOW 8 OCT 99
- DRAFT SAMP 29 OCT 99
- INDUSTRY DAY 15 NOV 99
- RISK ASSESSMENT 30NOV 99
- AFMC HEADING CHECK 16 DEC 99
- OVERSIGHT COMMITTEE 6 JAN 00
- ASP WR-ALC/CC 13 JAN 00

NEW SCHEDULE (cont'd)

- ASP AFMC/CC 20 JAN 00
- ASP SAF/AQ 27 JAN 00
- DRAFT RFP 7 FEB 00
- FINAL RFP 7 MAR 00
- PROPOSALS RECEIVED 24 APR 00
- AWARD 30 JUN 00